

Boeing Real Estate
Amy

**AGREEMENT FOR MITIGATION OF SCHOOL FACILITY IMPACTS
BETWEEN LONG BEACH UNIFIED SCHOOL DISTRICT
AND BOEING REALTY CORPORATION**

THIS AGREEMENT ("Agreement") is entered into this 23rd day of February 2004, ("Effective Date"), by and between **LONG BEACH UNIFIED SCHOOL DISTRICT**, a political subdivision of the State of California ("District"), and **BOEING REALTY CORPORATION**, a California corporation ("Developer").

ARTICLE I

RECITALS:

1.1 McDonald Douglas Corporation, a Maryland corporation, an affiliated company of Developer, is the owner of certain improved property located within the boundaries of District, consisting of approximately 261 acres developed with the C-1 aircraft production facility (the "Property"). The Property is described more particularly on attached Exhibit "A" and depicted on attached Exhibit "B."

1.2 Developer is seeking approval by the cities of Long Beach and Lakewood (jointly, the "Cities") for the replacement of the existing outdated facilities with a mixed-use development consisting of office, research and development, retail, hotel, aviation-related business, manufacturing and residential uses (the "Project"). The proposed residential development includes a maximum of approximately 2,500 dwelling units. Conceptual plans for the residential component include 200 single-family detached units, 1,300 for-sale attached townhomes and condominiums, and 1,000 for-rent multi-family residential units. The proposed commercial development consists of approximately 3.3 million square feet of commercial floor area, which includes research and development, light industrial, office and retail space. Additionally, there may be approximately 400 hotel rooms. The ultimate number of residential

units and the square footage of commercial development may be less, but will not be more, than the proposed Project depending on the Cities approvals and market conditions. It is estimated that between 250 and 400 K-12 students will be generated from the Project depending on the number of units and the residential product mix ultimately approved by the City of Long Beach.

1.3 In 1998, the California Legislature enacted Senate Bill 50 (the "School Facilities Act") which provided for a comprehensive program of school facilities financing. One aspect of the School Facilities Act was a limitation on the obligation of the developers of new residential, commercial and industrial projects to mitigate project impacts on school facilities. Government Code Sections 65995, as amended by the School Facilities Act, authorizes school districts to impose fees on development projects for the construction and reconstruction of school facilities as the exclusive means of mitigating project impacts on school facilities (the "Statutory Fee"). The District adopted resolutions imposing a Statutory Fee and has subsequently adopted resolutions imposing inflationary increases in the Statutory Fee as authorized by law. Currently, the District is authorized to levy the Statutory Fee in the amount of \$2.14 per square foot for assessable new residential construction and \$.34 per square foot for assessable new commercial and industrial construction. In January of 2004, the State Allocation Board may increase the Statutory Fee as authorized by law. The District intends to adopt a Fee Justification Report necessary to justify any such increase by the State Allocation Board in the Statutory Fee.

1.4 The District is currently considered to be a critically overcrowded school district. Many students are housed in portable classrooms that do not meet State of California criteria for calculating student capacity.

1.5 The schools in the vicinity of the Project that would normally serve students from the Project are currently overcrowded due to the busing of students from other portions of the District. A new K-8 school approved for construction and due to open in time for the 2005-2006 school year would have sufficient capacity for the students generated from the Project (the

"Richard Browning School"). The District's attendance area for the Richard Browning School, however, does not currently include the Project.

1.6 District and Developer agree that the Richard Browning School is the best option available for housing the students generated by the Project at the present time.

1.7 District and Developer also agree that although the Project will create a need for school facilities at all grade levels, because of critical overcrowded conditions at the elementary level, the best method of assisting in relieving overcrowding in the District, including schools in the vicinity of the Project, is the development of a new school in southwest Long Beach, south of Pacific Coast Highway (the "New School"). Since the District has an open enrollment at the high school level, the District believes that it will be able to accommodate the high school students from the Project with available district-wide capacity.

1.8 Developer is willing to contribute funds in excess of the current Statutory Fees in order to enable the District to address the greater needs of the District, as well as to better serve the Project, including, but not limited to, the development of the New School.

1.9 Developer has requested that it have the option of financing the school mitigation fee obligation for the Project through the formation of a community facilities district (the "CFD") over and including some or all of the Property and the issuance of one or more series of bonds (the "Bonds") pursuant to the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, commonly known as the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act").

1.10 Developer understands that District will be relying upon the Developer funding provided for herein in order for District to make certain irreversible decisions regarding planning for school facilities, including without limitation, application for state funding, land acquisition, retaining architects and commencement of construction issues.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and consideration herein set forth, District and Developer agree as follows:

ARTICLE II

SCHOOL IMPACT MITIGATION

2.1 Exclusive Mitigation. The District agrees that this Agreement shall be the exclusive mitigation for the impacts upon the District from the development of the Project and from students generated from the Project regardless of the ultimate size of the Project. The District agrees that even in the event the District may be authorized by law to impose a Statutory Fee or other mitigation in excess of the mitigation provided in this Agreement, the District shall not impose or seek to impose any higher mitigation than provided for herein.

2.2 Mitigation Payment.

(a) District and Developer hereby agree that in lieu of the Statutory Fee that would otherwise be imposed on the residential and commercial or industrial components of the Project, school impacts of the Project shall be fully mitigated by the payment of mitigation fees (the "Mitigation Payment") as follows:

(i) In lieu of the Statutory Fee for residential construction, the Developer shall pay Three Dollars and Thirty Five Cents (\$3.35) per square foot of assessable residential construction, as defined in Government Code Section 65995, payable at the time of the issuance of building permits for the residential dwelling units for which such permits are issued.

(ii) In lieu of the Statutory Fee for new commercial and industrial construction, the Developer shall pay Thirty Six Cents (\$.36) per square foot for chargeable and enclosed space, as defined in Government Code Section 65995, for new commercial and

industrial construction payable at the time of the issuance of building permits for commercial and industrial construction for which such permits are issued.

(iii) The Mitigation Payment shall not be subject to adjustment for inflation during the term of this Agreement.

(b) After January 1, 2005, the District may request the Developer to advance a portion of the Mitigation Payment to the District. The Developer may agree to advance a mutually acceptable amount to the District (the "Mitigation Fee Deposit"). In the event the Developer agrees to make the Mitigation Fee Deposit, the District shall issue a written waiver of Statutory Fees (the "School Fee Credit Certificate") in a form suitable to District and Developer. Developer shall redeem the School Fee Credit Certificate incrementally at the time of the issuance building permits for new residential dwelling units and new commercial and industrial construction within the Project until such time as the School Fee Credit Certificate has been fully redeemed. To the extent the School Fee Credit Certificate exceeds One Million Dollars (\$1,000,000.00), the Certificate shall be redeemed at a rate which reflects a present value discount for the early payment of the Mitigation Payment as mutually agreed upon by the parties which would effectively reduce the rate set forth in Section 2.2(a)(i) and (ii) above.

2.3 Formation of a CFD. District and Developer agree to cooperate in the formation of a Community Facilities District either in cooperation with the City of Long Beach or through the District on the terms and conditions set forth in Exhibit "C" attached hereto.

2.4 Certification by District. Upon the execution of this Agreement, the District agrees to provide a certificate or other evidence of compliance with the obligations of Developer under the School Facilities Act to the Cities, or any other government agency, as may be requested by the Developer or the Developer's successor in interest, without the requirement for the payment of Statutory Fees or any other fee, charge or reimbursement, other than the Mitigation Payment as required herein. The Parties intend that this Agreement shall provide for the complete mitigation of all impacts, direct and cumulative, from development of the Property

on the District's ability to provide adequate educational opportunities to the students generated from the Project, irrespective of subsequent changes in circumstances or student enrollment within the District whether or not related to the Project.

ARTICLE III

SOURCES AND USES OF FUNDS

3.1 The District has applied for State funding pursuant to the provisions of the School Facilities Act in order to address the current needs of the District for student housing, including an application pursuant to the provisions of the Critically Overcrowded Schools Program (the "COS Program") authorized by Proposition 47 in 2002. In August of 2003, the State Allocation Board granted preliminary apportionments to the District's projects under the COS Program. The voters of the District also passed Measure A in March of 1999 authorizing the issuance of \$295 million of local general obligation bonds for school construction projects (the "General Obligation Bond"). The District agrees to continue to aggressively pursue State funding sources including but not limited to funding under the COS Program.

3.2 The District agrees that the Mitigation Payment, the Mitigation Fee Deposit or any bond proceeds designated to finance all or a portion of the Mitigation Payment (the "CFD Bond Proceeds"), as well as funds available from the COS Program and the General Obligation Bond shall be prioritized for use in the construction of the New School in order to relieve overcrowding at local schools due to the busing of students from other areas. The District further agrees that no portion of the Mitigation Payment, the Mitigation Fee Deposit or the CFD Bond Proceeds will be utilized for the New School unless and until all funding for the New School has been identified and committed to the New School project, except with the written consent of Developer.

3.3 In the event that it has not been determined by the District that the New School project is feasible by December 31, 2005, the parties agree that, unless otherwise agreed by the

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parties as evidenced by an amendment to this Agreement, the Mitigation Payment, any Mitigation Fee Deposit and any CFD Bond Proceeds available to the District shall be allocated as follows:

(a) The Mitigation Payment, the Mitigation Fee Deposit and CFD Bond Proceeds shall be used first for facilities that serve the students generated from the Project, with the K-8 school serving the Project (Richard Browning School) as the first priority and Lakewood High School as second priority.

(b) As a third priority, the Mitigation Payment, the Mitigation Fee Deposit and CFD Bond Proceeds, to the extent not required to fund the needs identified in (a) above, may be utilized to improve other District neighborhood elementary and middle schools that are within an approximately two-mile radius of the Project, including, Madison Elementary, Riley Elementary and Hoover Middle Schools.

(c) No Mitigation Payment, Mitigation Fee Deposit or CFD Bond Proceeds shall be utilized for modernization or enhancement of any school until such time as there is adequate capacity to serve the students generated from the Project at all levels (elementary, middle and high school).

ARTICLE IV

DEVELOPER'S REPRESENTATIONS AND WARRANTIES

4.1 Developer warrants and represents that neither this Agreement, nor anything provided to be done hereunder, violates or shall violate any contract, agreement or instrument to which Developer is a party, or which affect the Property or any portion thereof, and that the execution, consent or acknowledgment of no other person or entity is necessary in order to validate the execution of this Agreement by Developer or permit the consummation of the transactions contemplated herein.

ARTICLE V

DISTRICT'S REPRESENTATIONS AND WARRANTIES

5.1 District warrants and represents that the following facts are true and correct as of the date of this Agreement:

(a) Neither this Agreement, nor anything provided to be done hereunder, violates or shall violate any statute, ordinance, law, regulations, contract, agreement or instrument to which District is a party. The execution, consent or acknowledgment of no other person other than approval by the Board of District is necessary in order to permit the consummation of the transactions contemplated herein. This Agreement has been approved by the governing board of the District at a meeting duly called and held and at which a quorum was present.

(b) District has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each of the persons signing this Agreement on behalf of District is authorized to do so.

ARTICLE VI

COVENANTS OF DEVELOPER

6.1 Developer Covenant of Support, Cooperation and Waiver of Protest. Payment of the Mitigation Payment as set forth herein shall be made by Developer without protest. Developer and District acknowledge that Government Code Section 66020(d)(1) provides that local agencies, including school districts, shall provide a project applicant notice, in writing, at the time of imposition of fees, dedications, reservations, or other exactions, a statement of the amount of fees, or a description of the dedications, reservations, or exactions and a notification that the 90-day approval period in which the applicant may protest such fees has begun. Developer agrees that Developer has voluntarily entered this Agreement and knowingly and willingly waives all rights of protest under Government Code Sections 66020, 66021 or 66022,

or any other provision of law with respect to school fees and protest rights. Developer agrees that in the event that a 90-day approval period cannot be waived, this Agreement includes a description of the exactions which have been required of Developer with respect to the Project. Developer further acknowledges that the 90-day approval period described above, in the event that the approval period cannot be waived, will commence as of the Effective Date. Developer agrees that the payments provided for herein which are in excess of any amounts payable pursuant to California statute, law or regulation, if any, are not fees, charges, dedications or any other requirements within the meanings of such statute, law or regulation, but are completely voluntary payments made by Developer to assist the District in providing school facilities and to enhance the school facilities and the marketability of the Project.

ARTICLE VII

COVENANTS OF DISTRICT

7.1 District Covenants.

As a result of and in consideration for the Developer's agreement to pay the Mitigation Payment as mitigation of the District's impacts from the Project, District hereby covenants that it will not under any circumstances at any time:

(a) Exercise any power or authority (under School Facilities Act, Division 1, Chapter 4.9 of the California Government Code (commencing with Section 65995) or any other provision of applicable law) to levy a residential or commercial fee, charge, dedication, tax or special tax, or other form of requirement against any property or development project (including, but not limited to, any commercial, industrial, or residential project) undertaken within the boundaries of the Property, or seek to impose as a condition of approval of any entitlement sought for the Project or any portion thereof, any fee, charge, dedication or other form of requirement, for the purpose of funding or financing any school facilities or activities of the District which are the subject of this Agreement, provided, however that notwithstanding the

foregoing or anything herein to the contrary, District may, in its absolute and sole discretion, pursue the issuance of one or more general obligation bonds at any time and to any extent within District boundaries;

(b) Request that the Cities, or any other governmental entity, exercise, or cooperate with the Cities or any other governmental entity in the exercise of, the power under Division 1, Chapter 4.7 of the California Government Code (commencing with Section 65970) or any other provision of applicable law, to require the dedication of land, the payment of fees or special taxes in lieu thereof, or both, as a condition to the approval of a development project (including, but not limited to, any commercial, industrial, or residential project), or to the approval of any entitlement for such development projects within the boundaries of the Property;

(c) Oppose development or challenge any entitlement for the development of the Project on the basis of inadequate school facilities, or any other grounds, or seek other forms of mitigation with respect to the adequacy of school facilities, including, but not limited to, the establishment of developer fees, the payment of money by Developer, the dedication of land, or the application of an assessment or requirement of any nature against Developer or any property, including commercial, industrial and residential property, currently within the boundaries of the Property permitted by present or future law, rulings, regulations and court decisions, if the proceeds of such assessment or requirement will be used to finance or fund any school facilities of the District;

(d) Oppose development of the Project on the basis of Cities' or Developer's compliance or lack of compliance with the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code) or any regulations implemented with respect thereto, whether or not such opposition is related to potential environmental impacts upon schools; or

(e) Advise or require Developer (or its successors in interest to any portion of the Property) or any other private entity to advise anyone that school facilities are not available to serve the students generated by the Project.

7.2 The District has planned capacity at the Richard Browning School which is projected to be available to serve the Project by the start of the 2005-2006 school year, which is when students are first expected to be generated by the Project. The District acknowledges that attendance boundaries will need to be adjusted so that students from the Project will be served by the Richard Browning School. District agrees to make the necessary attendance boundary adjustment prior to the occupancy of the first residential unit within the Project and agrees that K-8 students from the Project shall be assigned to the Richard Browning School and that high school students from the Project shall be assigned to Lakewood High School.

7.3 The District also agrees to allow on a priority basis students residing in the Project to attend neighborhood elementary and middle schools including Madison Elementary, Riley Elementary and Hoover Middle Schools as space is available after the opening of the New School.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Incorporation of Exhibits. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth in the body hereof.

8.2 Execution of Other Documents; Compliance with Regulations. The parties hereto will do all other things and will execute all documents that are reasonably necessary for the implementation of this Agreement. Furthermore, the parties will comply at their own expense with all applicable laws and governmental regulations required to implement this Agreement, including, but not limited to, any required filings with governmental authorities.

8.3 Attorneys' Fees. In any action between District and Developer seeking enforcement or interpretation of any provision of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded its reasonable costs and expenses, including, but not limited to reasonable attorneys' fees and disbursements and court costs, in addition to any damages, injunctive or other relief awarded.

8.4 Notices. All notices, requests, demands and other communications given or required to be given under this Agreement shall be in writing, duly addressed to the parties as follows:

If to District, at:	Long Beach Unified School District 2425 Webster Avenue Long Beach, CA 90810 Attn: Lisa Dutra
With a Copy to:	Atkinson, Andelson, Loya, Ruud & Romo 17871 Park Plaza Drive, Suite 200 Cerritos, CA 90703 Attn: Andreas C. Chialtas
If to Developer, at:	Boeing Realty Corporation 15480 Laguna Canyon Rd., Suite 200 Irvine CA 92618 Attn: DeDe Soto
With a Copy to:	Manatt, Phelps & Phillips 650 Town Center Drive, Suite 1250 Costa Mesa, CA 92626 Attn: Roger A. Grable

Any such notice sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received at 5:00 P.M. two (2) business days after it is so addressed and mailed with postage prepaid. Notice sent by any other manner shall be effective only upon actual receipt thereof. Any party may change its address for purposes of this Agreement by giving notice to the other party as provided in this Section.

8.5 Further Documents. Each party will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents as may be necessary in order to consummate this Agreement.

8.6 Time of the Essence. Time is of the essence of the Agreement and the performance by each party hereto of the obligations on that party's part to be performed.

8.7 Construction. The parties agree that each party and counsel for each party have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in an interpretation of this Agreement or any amendment thereto.

8.8 Warranty of Authority. Each person below hereby warrants and guarantees that he or she is legally authorized and empowered to execute this Agreement.

8.9 Assignment.

(a) This Agreement shall be binding upon the parties hereto and their respective heirs, successors or representatives or assigns. The Developer shall have the right to assign its rights and obligations under this Agreement to a development company or companies formed by Developer for the purpose of developing the Property. The Developer shall also have the right to assign its rights and obligations under this Agreement to and in connection with a transfer of the Developer's interest in all or a portion of the Property. Except as provided above, the Developer shall not have the right to assign this Agreement except with the written consent of District.

(b) In the event of any such assignment, the assignee shall be liable for the performance of all obligations of the Developer with respect to the portion of the Property so transferred.

(c) Following an assignment or transfer of any of the rights and interests of a Developer set forth in this Agreement in accordance with this Section, the assignee's exercise,

use, and enjoyment of the Property shall be subject to the terms of this Agreement to the same extent as if the assignee or transferee were the Developer.

(d) Upon the express written assumption in a form approved by District of such assigned obligations of the Developer under this Agreement by the assignee, the Developer shall be relieved of its legal duty to perform the assigned obligations set forth in this Agreement, except to the extent the Developer is in default hereunder prior to said transfer.

8.10 Waiver. The waiver of any breach of any provision of this Agreement by District or Developer shall not be deemed to be a waiver of any preceding or subsequent breach of the same or any other provision of this Agreement.

8.11 Not for Benefit of Third Parties. This Agreement and every provision hereof is for the exclusive benefit of the parties to this Agreement and not for the benefit of any third party.

8.12 Governing Law. This Agreement shall be construed in accordance with California laws.

8.13 Headings and References. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement. All uses of the words "Article(s)" and "Section(s)" in this Agreement are references to articles and sections of this Agreement, unless otherwise specified.

8.14 Severability. If any Article, Section, paragraph, sentence, clause or phrase contained in this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by a court of competent jurisdiction to be illegal, null or void or against public policy, the remaining Articles, Sections, paragraphs, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

8.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the Effective Date.

[Signatures on Following Page]

Developer:

Boeing Realty Corporation,
A California corporation

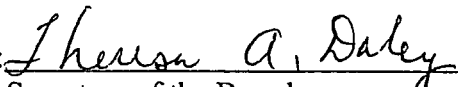
By: 
Alan E. DeFrancis
Vice President

By: _____

District:

By: 

ATTEST:

By: 
Secretary of the Board

APPROVED AS TO FORM:

By: _____

APPROVED AS TO FORM:

By: _____

EXHIBIT "A"

[Legal Description of the Property]

Exhibit "A," Page 1

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Page 1
Order No. 91057581

DESCRIPTION

PARCEL 1: (INTENTIONALLY OMITTED.)

PARCEL 2:

THAT PORTION OF LOT 40 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 40; THENCE SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 40.00 FEET TO THE INTERSECTION OF THE CENTER LINES OF LAKEWOOD BOULEVARD (100 FEET WIDE) AND CONANT STREET (80 FEET WIDE); THENCE NORTH 0 DEGREES 12 MINUTES 44 SECONDS EAST 782.60 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 50.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 219.08 FEET; THENCE NORTH 0 DEGREES 12 MINUTES 44 SECONDS EAST 594.30 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 113.30 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 6.42 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 105.78 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 587.88 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE WEST HALF OF LAKEWOOD BOULEVARD (FORMERLY CERRITOS AVENUE, 80 FEET WIDE, AS SHOWN ON SAID MAP) ADJOINING THE ABOVE DESCRIBED LAND ON THE EAST.

PARCEL 3:

THOSE PORTIONS OF LOTS 39 AND 40 AND OF BIXBY STATION ROAD LYING BETWEEN SAID LOTS, AS SHOWN ON MAP OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID LOT 40, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 831.35 FEET FROM THE SOUTHWESTERLY CORNER THEREOF; THENCE NORTH 0 DEGREES 12 MINUTES 34 SECONDS EAST 2098.72 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 35 SECONDS EAST 46.92 FEET; THENCE NORTH 0 DEGREES 11 MINUTES 34 SECONDS EAST 441.97 FEET TO THE SOUTHERLY LINE OF THE NORTH 100 FEET OF SAID LOT 39; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 1562.71 FEET TO THE WESTERLY LINE OF THE EAST 160 FEET OF SAID LOT 39; THENCE ALONG SAID WESTERLY LINE, SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 100 FEET; THENCE PARALLEL WITH SAID NORTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 160 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 39, DISTANT THEREON, SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 200 FEET FROM THE NORTHEASTERLY CORNER THEREOF; THENCE ALONG LAST MENTIONED EASTERLY LINE, SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 359.97 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 45 SECONDS WEST 687.74 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 16 SECONDS WEST 725.64 FEET; THENCE PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 40, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 516.65 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 34 SECONDS WEST 1354.90 FEET, MORE OR LESS, TO A POINT IN SAID SOUTHERLY LINE, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 565.15 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 565.15 FEET TO THE POINT OF BEGINNING.

DESCRIPTION

TOGETHER WITH THAT PORTION OF THE WEST HALF OF LAKEWOOD BOULEVARD (FORMERLY CERRITOS AVENUE, 80 FEET WIDE, AS SHOWN ON SAID MAP) ADJOINING THE ABOVE DESCRIBED LAND ON THE EAST.

PARCEL 4:

THAT PORTION OF LOTS 40 AND 42 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID LOT 40, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 486.57 FEET FROM THE SOUTHWESTERLY CORNER THEREOF; THENCE PARALLEL WITH THE WESTERLY LINE OF SAID LOT 40, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 546.77 FEET; THENCE PARALLEL WITH THE SOUTHERLY LINE OF SAID LOTS, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 673.99 FEET; THENCE PARALLEL WITH THE EASTERLY LINE OF SAID LOT 42, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 200.70 FEET; THENCE SOUTH 78 DEGREES 05 MINUTES 36 SECONDS EAST 470.48 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 17 SECONDS EAST 558.38 FEET TO A POINT IN THE WESTERLY LINE OF PARCEL 3 HEREIN DESCRIBED; THENCE ALONG SAID WESTERLY LINE, SOUTH 0 DEGREES 12 MINUTES 34 SECONDS WEST 652.01 FEET, MORE OR LESS, TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 40, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 831.35 FEET FROM THE SOUTHWESTERLY CORNER OF SAID LOT 40; THENCE ALONG SAID SOUTHERLY LINE, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 344.78 FEET TO THE POINT OF BEGINNING.

PARCEL 5:

THOSE PORTIONS OF LOTS 41 AND 42 AND OF BIXBY STATION ROAD LYING BETWEEN SAID LOTS, AS SHOWN ON MAP OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID LOT 42, DISTANT THEREON NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 213.73 FEET FROM THE SOUTHEASTERLY CORNER THEREOF; THENCE PARALLEL WITH THE EASTERLY LINE OF SAID LOTS, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 546.77 FEET; THENCE PARALLEL WITH SAID SOUTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 26.31 FEET; THENCE PARALLEL WITH SAID EASTERLY LINES, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 859.27 FEET TO A POINT IN THE NORTHWESTERLY LINE OF THE LAND DESCRIBED IN PARCEL "D" OF THE DEED RECORDED IN BOOK 20582 PAGE 392, OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 63 DEGREES 55 MINUTES 55 SECONDS WEST 15.48 FEET TO THE MOST WESTERLY CORNER OF THE LAND SO DESCRIBED; THENCE PARALLEL WITH SAID SOUTHERLY LINE, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 665.10 FEET TO A LINE PARALLEL WITH AND DISTANT WESTERLY 865.00 FEET FROM THE EASTERLY LINE OF SAID LOT 41; THENCE ALONG SAID PARALLEL LINE AND THE SOUTHERLY PROLONGATION THEREOF, SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 526.88 FEET TO THE SOUTHERLY LINE OF THE LAND CONVEYED TO LOS ANGELES & SALT LAKE RAILROAD COMPANY, BY DEED RECORDED IN BOOK 17896 PAGE 358, OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF SAID RAILROAD LAND, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 557.50 FEET TO A LINE PARALLEL WITH AND DISTANT WESTERLY 1422.50 FEET FROM THE EASTERLY LINE OF SAID LOT 42; THENCE ALONG SAID PARALLEL LINE, SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 870 FEET TO THE SOUTHERLY LINE OF SAID LOT

DESCRIPTION

42; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 1208.77 FEET TO THE POINT OF BEGINNING.

PARCEL 6:

THAT PORTION OF LOTS 39 AND 41 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT 39, DISTANT THEREON SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 391.15 FEET FROM THE NORTHWESTERLY CORNER THEREOF; THENCE SOUTH 17 DEGREES 39 MINUTES 25 SECONDS WEST 1103.34 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN PARCEL "D" OF THE DEED RECORDED IN BOOK 20582 PAGE 392, OFFICIAL RECORDS; THENCE ALONG THE NORTHWESTERLY LINE OF THE LAND SO DESCRIBED, SOUTH 53 DEGREES 55 MINUTES 55 SECONDS WEST 21.09 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHWESTERLY LINE, SOUTH 53 DEGREES 55 MINUTES 55 SECONDS WEST 113.25 FEET; THENCE SOUTH 72 DEGREES 20 MINUTES 35 SECONDS EAST 126.98 FEET; THENCE NORTH 17 DEGREES 39 MINUTES 25 SECONDS EAST 91.30 FEET; THENCE NORTH 72 DEGREES 20 MINUTES 35 SECONDS WEST 59.97 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 7:

AN EASEMENT FOR THE EXISTING UNDERPASS AND ANY SIMILAR USE OR PURPOSE OVER OR UNDER THE PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 40 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 10.00 FEET; THENCE NORTH 0 DEGREES 12 MINUTES 44 SECONDS EAST 1370.48 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 100.00 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 22.00 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 100.00 FEET; THENCE NORTH 0 DEGREES 12 MINUTES 44 SECONDS EAST 22.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION INCLUDED WITHIN THOSE PORTIONS OF LOTS 37 AND 38 AND OF BIXBY STATION ROAD LYING BETWEEN SAID LOTS, AS SHOWN ON MAP OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID LOT 37, DISTANT SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 710.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 37; THENCE SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 1280.64 FEET ALONG THE SOUTHERLY LINE OF A STRIP OF LAND OWNED BY THE CITY OF LONG BEACH, AND RECORDED IN BOOK 10889 PAGE 155 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 0 DEGREES 13 MINUTES 00 SECONDS WEST 1546.56 FEET; THENCE PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 38, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 1280.52 FEET TO A POINT IN THE WESTERLY LINE OF SAID LOT 38, DISTANT THEREON SOUTH 0 DEGREES 12 MINUTES 44 SECONDS WEST 1546.51 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY LINE, NORTH 0 DEGREES 12 MINUTES 44 SECONDS EAST 1546.51 FEET TO THE POINT OF BEGINNING.

DESCRIPTION

PARCEL 8:

THAT PORTION OF LOT 39 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT, DISTANT SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 391.15 FEET FROM THE NORTHWEST CORNER OF SAID LOT; THENCE ALONG SAID NORTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 2050.47 FEET TO THE NORTHWEST CORNER OF THE LAND CONVEYED TO MIKE LYMAN BY DEED RECORDED FEBRUARY 18, 1941 AS INSTRUMENT NO. 18 IN BOOK 18190 PAGE 223, OFFICIAL RECORDS; THENCE ALONG THE WESTERLY LINE OF THE LAND OF LYMAN, SOUTH 0 DEGREES 11 MINUTES 58 SECONDS WEST 100 FEET; THENCE ALONG THE NORTHERLY LINE OF THE LAND CONVEYED TO WESTERN LAND IMPROVEMENT COMPANY BY DEED RECORDED DECEMBER 13, 1940 AS INSTRUMENT NO. 22 IN BOOK 18034 PAGE 218, OFFICIAL RECORDS, TO AND ALONG THE NORTHERLY LINE OF THE LAND CONVEYED TO WESTERN LAND IMPROVEMENT COMPANY BY PARCEL "A" OF THE DEED RECORDED OCTOBER 2, 1941 AS INSTRUMENT NO. 59 IN BOOK 18735 PAGE 243, OFFICIAL RECORDS, NORTH 89 DEGREES 47 MINUTES 44.35 SECONDS WEST 2081.92 FEET TO THE NORTHWEST CORNER OF THE LAND SO CONVEYED BY THE LAST MENTIONED DEED; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND SO CONVEYED BY THE LAST MENTIONED DEED, NORTH 17 DEGREES 39 MINUTES 25 SECONDS EAST 104.83 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF CARSON STREET, AS CONVEYED TO THE COUNTY OF LOS ANGELES BY DEED RECORDED IN BOOK 10906 PAGE 178, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF LOT 39 AS DESCRIBED IN GRANT DEED TO THE CITY OF LONG BEACH WHICH RECORDED JULY 12, 2000 AS INSTRUMENT NO. 00-1064084 AND SEPTEMBER 28, 2000 AS INSTRUMENT NO. 00-1526582.

PARCEL 9:

THOSE PORTIONS OF LOTS 41, 42, 43 AND 44 OF TRACT NO. 8084, IN THE CITY OF LAKEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF BIXBY STATION ROAD, VACATED, AS SHOWN ON SAID MAP, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY NORTHWEST CORNER OF THE LAND DESCRIBED AS PARCEL 5 IN THE DEED TO DOUGLAS AIRCRAFT COMPANY, INC., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE LOS ANGELES AND SALT LAKE RAILROAD COMPANY, RECORDED NOVEMBER 23, 1940 AS INSTRUMENT NO. 1000 IN BOOK 17896 PAGE 358, OFFICIAL RECORDS, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 1478.84 FEET; THENCE SOUTH 45 DEGREES 17 MINUTES 49 SECONDS EAST 1241.32 FEET TO THE SOUTHERLY LINE OF SAID LOT 42; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 593.63 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED AS SAID PARCEL 5; THENCE ALONG THE MOST WESTERLY LINE OF SAID LAND, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 870 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

DESCRIPTION

BEGINNING AT THE MOST WESTERLY NORTHWEST CORNER OF THE LAND DESCRIBED AS PARCEL 5 IN THE DEED TO DOUGLAS AIRCRAFT COMPANY, INC., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE LOS ANGELES AND SALT LAKE RAILROAD COMPANY, RECORDED NOVEMBER 23, 1940 AS INSTRUMENT NO. 1000 IN BOOK 17896 PAGE 358, OFFICIAL RECORDS, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 230 FEET; THENCE SOUTH 77 DEGREES 31 MINUTES 43 SECONDS EAST 235.37 FEET TO A POINT IN THE MOST WESTERLY LINE OF THE LAND DESCRIBED IN SAID PARCEL 5, DISTANT ALONG SAID MOST WESTERLY LINE, SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 50 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID MOST WESTERLY LINE, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 50 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND THAT MAY BE PRODUCED FROM A DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS, AND PRODUCE OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS.

PARCEL 10:

THAT PORTION OF LOT 41 OF TRACT NO. 8084, IN THE CITY OF LAKEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY NORTHWEST CORNER OF THE LAND DESCRIBED AS PARCEL 5 IN THE DEED TO DOUGLAS AIRCRAFT COMPANY, INC., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE LOS ANGELES AND SALT LAKE RAILROAD COMPANY, RECORDED NOVEMBER 23, 1940 AS INSTRUMENT NO. 1000 IN BOOK 17896 PAGE 358, OFFICIAL RECORDS, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 230 FEET; THENCE SOUTH 77 DEGREES 31 MINUTES 43 SECONDS EAST 235.37 FEET TO A POINT IN THE MOST WESTERLY LINE OF THE LAND DESCRIBED IN SAID PARCEL 5, DISTANT ALONG SAID MOST WESTERLY LINE, SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 50 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID MOST WESTERLY LINE, NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 50 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND THAT MAY BE PRODUCED FROM A DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS, AND PRODUCE OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS.

DESCRIPTION

PARCEL 11:

THAT PORTION OF LOT 41 OF TRACT NO. 8084, IN THE CITY OF LAKEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE LOS ANGELES AND SALT LAKE RAILROAD COMPANY, RECORDED NOVEMBER 23, 1940 AS INSTRUMENT NO. 1000 IN BOOK 17896 PAGE 358, OFFICIAL RECORDS OF SAID COUNTY, WITH THAT PORTION OF THE WESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 5 IN THE DEED TO DOUGLAS AIRCRAFT COMPANY, INC., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354 IN BOOK 24606 PAGE 162, OFFICIAL RECORDS OF SAID COUNTY, SHOWN AS HAVING A BEARING AND DISTANCE OF "SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 526.88 FEET"; THENCE ALONG SAID NORTHERLY LINE, NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 1736.73 FEET TO A LINE PARALLEL WITH AND DISTANT EASTERLY 38 FEET, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF SAID LOT 41; THENCE ALONG SAID PARALLEL LINE, NORTH 0 DEGREES 11 MINUTES 30 SECONDS EAST 43.02 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED AS PARCEL 2 IN THE LEASE TO THE COUNTY OF LOS ANGELES, RECORDED MAY 18, 1953 AS INSTRUMENT NO. 2706 IN BOOK 41745 PAGE 307, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 2, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 1736.73 FEET TO SAID WESTERLY LINE OF PARCEL 5; THENCE ALONG SAID WESTERLY LINE, SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 43.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND THAT MAY BE PRODUCED FROM A DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS, AND PRODUCE OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS.

PARCEL 12: (INTENTIONALLY OMITTED.)

PARCEL 13:

THOSE PORTIONS OF LOTS 39 AND 40 AND OF BIXBY STATION ROAD, VACATED, AS SHOWN ON MAP OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 40; THENCE ALONG THE SOUTH LINE OF SAID LOT NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 1204.70 FEET, MORE OR LESS, TO THE SOUTHEASTERLY CORNER OF PARCEL 3, DESCRIBED IN QUITCLAIM DEED TO DOUGLAS AIRCRAFT CO., INC., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS; THENCE ALONG THE EASTERLY LINE OF PARCEL 3, NORTH 0 DEGREES 12 MINUTES 34 SECONDS EAST 1354.90 FEET TO AN ANGLE POINT THEREIN; THENCE SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 516.65 FEET; THENCE NORTH 0 DEGREES 12 MINUTES 16

DESCRIPTION

SECONDS EAST 725.64 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 45 SECONDS EAST 687.74 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 39; THENCE ALONG SAID EASTERLY LINE AND ALONG THE EASTERLY LINE OF SAID LOT 40, SOUTH 0 DEGREES 11 MINUTES 58 SECONDS WEST 2080.58 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE WEST HALF OF LAKEWOOD BOULEVARD (FORMERLY CERRITOS AVENUE, 80 FEET WIDE, AS SHOWN ON SAID MAP) ADJOINING THE LAST ABOVE DESCRIBED LAND ON THE EAST.

EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND CONTAINING 2.973 ACRES AND DESIGNATED AS PARCEL 2 IN SAID QUITCLAIM DEED TO DOUGLAS AIRCRAFT COMPANY.

PARCEL 14:

THOSE PORTIONS OF LOTS 40 AND 42 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 40; THENCE SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 486.57 FEET ALONG THE SOUTH LINE OF SAID LOT TO THE SOUTHWEST CORNER OF PARCEL 4 DESCRIBED IN QUITCLAIM DEED TO DOUGLAS AIRCRAFT CO., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS; THENCE ALONG THE BOUNDARY OF SAID PARCEL NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 546.77 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 36 SECONDS WEST 700.30 FEET TO THE INTERSECTION WITH THE EAST LINE OF PARCEL 5 DESCRIBED IN SAID QUITCLAIM DEED; THENCE SOUTH 0 DEGREES 11 MINUTES 32.72 SECONDS WEST 546.77 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 5; THENCE ALONG THE SOUTH LINE OF SAID LOT 42, SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 213.73 FEET TO THE POINT OF BEGINNING.

PARCEL 15:

THOSE PORTIONS OF LOTS 39, 40, 41 AND 42 AND OF BIXBY STATION ROAD, VACATED, AS SHOWN ON MAP OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 40; THENCE ALONG THE SOUTH LINE OF SAID LOT SOUTH 89 DEGREES 47 MINUTES 36 SECONDS EAST 831.35 FEET TO THE SOUTHWEST CORNER OF PARCEL 3 DESCRIBED IN QUITCLAIM DEED TO DOUGLAS AIRCRAFT CO., RECORDED MAY 20, 1947 AS INSTRUMENT NO. 3354, OFFICIAL RECORDS; THENCE ALONG THE WEST LINE OF SAID PARCEL 3, NORTH 0 DEGREES 12 MINUTES 34 SECONDS EAST 652.01 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHEAST CORNER OF PARCEL 4 DESCRIBED IN SAID QUITCLAIM DEED; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL 4, NORTH 89 DEGREES 47 MINUTES 17 SECONDS WEST 558.38 FEET; THENCE NORTH 78 DEGREES 05 MINUTES 36 SECONDS WEST 470.48 FEET TO THE EAST LINE OF PARCEL 5 DESCRIBED IN SAID QUITCLAIM DEED; THENCE ALONG LAST SAID EAST LINE NORTH 0 DEGREES 11 MINUTES 32.72 SECONDS EAST 658.57 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE NORTHWESTERLY LINE OF PARCEL D OF TRACT NO. 2 AS DESCRIBED IN DEED FROM WESTERN LAND IMPROVEMENT COMPANY, RECORDED IN BOOK 20582 PAGE 392, OFFICIAL RECORDS; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 53 DEGREES 55 MINUTES 55 SECONDS EAST 306.99 FEET TO THE MOST NORTHERLY CORNER OF SAID PARCEL D; THENCE ALONG THE WESTERLY LINE OF PARCEL A OF TRACT NO. 2 AS

DESCRIPTION

DESCRIBED IN LAST SAID DEED, NORTH 17 DEGREES 39 MINUTES 25 SECONDS EAST 998.51 FEET TO A LINE PARALLEL WITH THE NORTH LINE OF SAID LOT 39 AND DISTANT SOUTHERLY THEREFROM 100 FEET, MEASURED AT RIGHT ANGLES; THENCE ALONG SAID PARALLEL LINE SOUTH 89 DEGREES 47 MINUTES 44.35 SECONDS EAST 519.21 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 3 IN THE QUITCLAIM DEED TO DOUGLAS AIRCRAFT CO.; THENCE ALONG THE WEST LINE OF LAST SAID PARCEL SOUTH 0 DEGREES 11 MINUTES 34 SECONDS WEST 441.97 FEET; THENCE NORTH 89 DEGREES 31 MINUTES 35 SECONDS WEST 46.92 FEET; THENCE SOUTH 0 DEGREES 12 MINUTES 34 SECONDS WEST 1446.71 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND CONTAINING 0.196 ACRE AND DESIGNATED AS PARCEL 6 IN SAID QUITCLAIM DEED TO DOUGLAS AIRCRAFT CO..

PARCEL 16:

THOSE PORTIONS OF LOTS 49, 51 AND 52 OF TRACT NO. 8084, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 171 PAGES 24 TO 30 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THOSE PORTIONS OF LAKEWOOD BOULEVARD, (FORMERLY KNOWN AS CERRITOS AVENUE, 80 FEET WIDE) AS SHOWN ON SAID TRACT NO. 8084 NOW VACATED AND ABANDONED BY THE STATE OF CALIFORNIA HIGHWAY COMMISSION, A CERTIFIED COPY OF WHICH WAS RECORDED MAY 19, 1959 AS INSTRUMENT NO. 3601, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF LAKEWOOD BOULEVARD (100 FEET WIDE) AS DESCRIBED IN THE DEED TO THE COUNTY OF LOS ANGELES RECORDED JANUARY 5, 1932 AS INSTRUMENT NO. 1160 IN BOOK 11271 PAGE 368, OFFICIAL RECORDS, WITH THE NORTHERLY LINE OF SAID LOT 51; THENCE ALONG SAID LAKEWOOD BOULEVARD (100 FEET WIDE), SOUTH 0 DEGREES 06 MINUTES 03 SECONDS WEST 133.81 FEET TO A POINT IN A NON-TANGENT CURVE CONCAVE EASTERLY 2077 FEET, A TANGENT WHICH BEARS SOUTH 9 DEGREES 09 MINUTES 01 SECONDS EAST FROM SAID POINT AND SO RECITED IN SAID VACATION AND ABANDONMENT; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 15 MINUTES 46 SECONDS AN ARC DISTANCE OF 372.03 FEET; THENCE SOUTH 25 DEGREES 16 MINUTES 10 SECONDS EAST 18.01 FEET TO THE NORTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE WESTERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 2, 1959 AS INSTRUMENT NO. 3959, OFFICIAL RECORDS AS RECITED AS HAVING A BEARING AND LENGTH OF "SOUTH 25 DEGREES 16 MINUTES 02 SECONDS EAST 106.64 FEET"; THENCE SOUTH 25 DEGREES 16 MINUTES 02 SECONDS EAST TO A LINE THAT IS PARALLEL WITH AND DISTANT 583.00 FEET SOUTHERLY FROM THE NORTHERLY LINES OF SAID LOTS 49, 51 AND 52; THENCE ALONG SAID PARALLEL LINE NORTH 89 DEGREES 53 MINUTES 56 SECONDS WEST 3800.79 FEET; THENCE NORTH 0 DEGREES 08 MINUTES 55 SECONDS WEST 533.01 FEET; THENCE NORTH 45 DEGREES 01 MINUTES 25 SECONDS WEST 70.86 FEET TO A POINT IN THE NORTHERLY LINE OF SAID LOT 49, SAID POINT BEING DISTANT NORTH 89 DEGREES 53 MINUTES 56 SECONDS WEST 3718.10 FEET ALONG THE NORTHERLY LINES OF SAID LOTS 49 AND 51, FROM THE POINT OF BEGINNING; THENCE ALONG THE NORTHERLY LINES OF SAID LOTS 49 AND 51, SOUTH 89 DEGREES 53 MINUTES 56 SECONDS EAST 3718.10 FEET TO THE POINT OF BEGINNING.

EXCEPT FROM THAT PORTION THEREOF LYING WITHIN THE LINES OF SAID LOT 52, ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET

DESCRIPTION

BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATED WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS, AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923 PAGE 236, OFFICIAL RECORDS.

PARCEL 17: (INTENTIONALLY OMITTED.)

PARCEL 18:

AN EASEMENT, APPURTENANT TO LAND DESCRIBED ABOVE AS PARCEL 16, WHICH EASEMENT SHALL CONSTITUTE A RIGHT OF INGRESS AND EGRESS TO AND FROM THE TAXIWAYS AND RUNWAYS OF THE LONG BEACH AIRPORT AS DELINEATED ON EXHIBIT C-1, ATTACHED TO DEEDS RECORDED DECEMBER 24, 1981 AS INSTRUMENT NOS. 81-1260432, 81-1260433, 81-1260434 AND 81-1260435 FROM THE LAND DESCRIBED ABOVE AS PARCEL 16, WHICH ABUTS THE LONG BEACH AIRPORT. SAID EASEMENT IS APPURTENANT, RUNNING WITH THE LAND, AND NOT PERSONAL.

EXHIBIT "B"

[Map of the Property]

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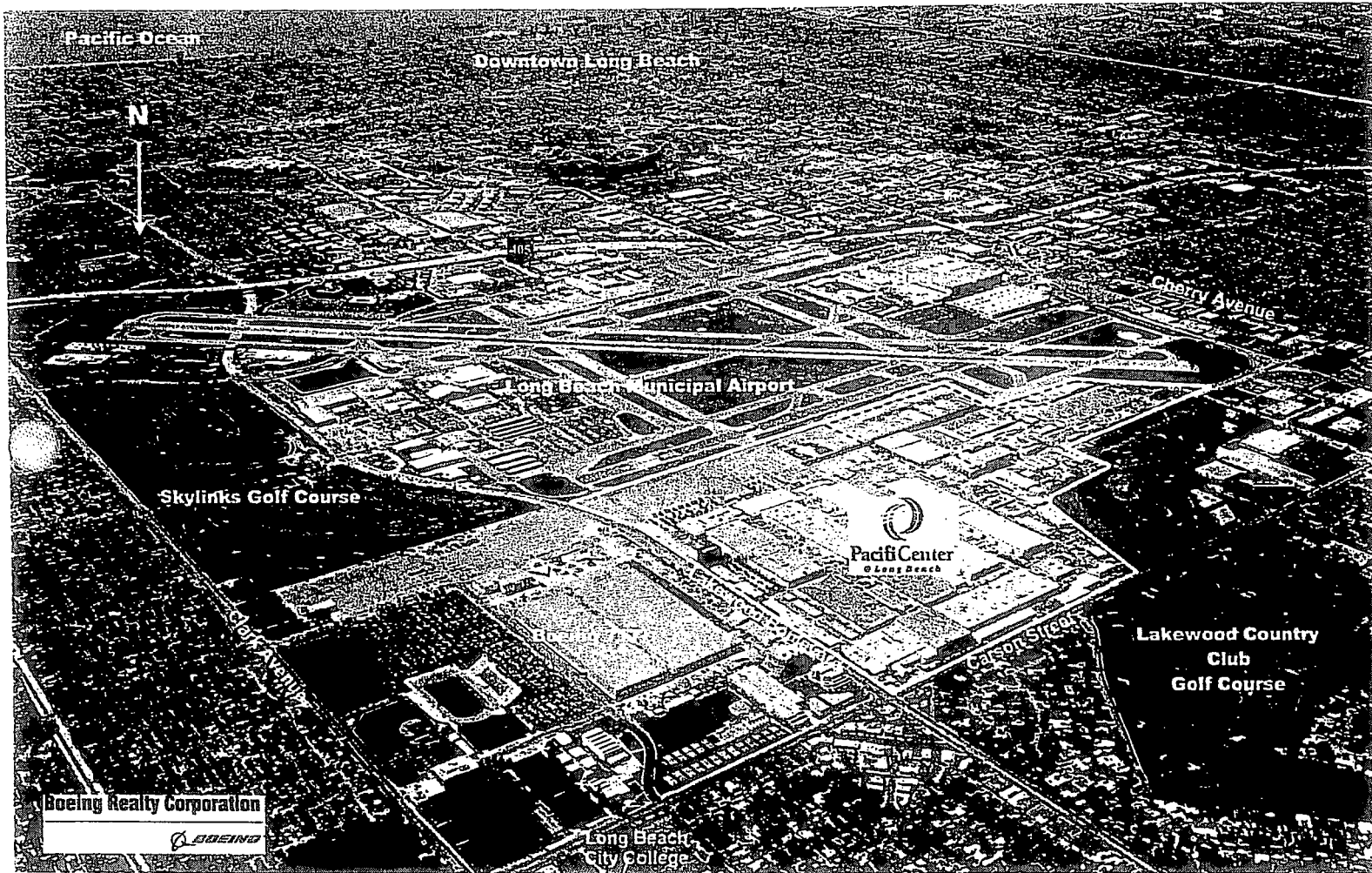


EXHIBIT "C"

A. **Formation of CFD.** Developer shall petition the City of Long Beach (the "City") and/or the District for the formation of one or more CFDs under the Mello-Roos Act, the levy of special taxes pursuant to rates and method of apportionment of special tax (the "RMAs"), and for the authorization of Bonds in an amount to be negotiated between the Developer and the sponsoring local agency. If the City is selected as the sponsoring local agency, the District shall not object to the amount of Bonds authorized.

B. **Improvements to be Financed.** The CFDs, through the issuance of one or more series of Bonds, will finance the following improvements:

- (i) All costs of issuance, capitalized interest for up to two years, a customarily-sized reserve fund, and administrative expense for the sponsoring local agency for not more than two years.
- (ii) The Mitigation Payment. The District agrees that, unless otherwise agreed to by the Developer in writing, the District shall have no right to any Bond proceeds in an amount greater than the Mitigation Payment.
- (iii) Other infrastructure costs related to the Project and authorized pursuant to the Mello-Roos Act.

The District and the Developer agree that if the District is the sponsoring local agency, the proceeds of the Bonds will be utilized in the manner and priority set forth above. If, however, the City is the sponsoring local agency, the City may not agree to the priority of the use of the Bond proceeds. Consequently, the District and the Developer will use their best commercially reasonable efforts to

have the City utilize the proceeds of the Bonds in the manner and priority set forth above.

C. **City as Sponsoring Local Agency.** If the City is selected as the sponsoring local agency to finance the Mitigation Payment, then the District agrees to use its best efforts to enter into a joint community facilities agreement (a "JCFA") with the City prior to the formation of the CFD, whereby the District agrees to accept ownership of the District facilities financed by the proceeds of the Bonds.

D. **District as Sponsoring Local Agency.** If the District is selected as the sponsoring local agency, and improvements to be owned or operated by the City or another local agency are proposed to be financed by the Bonds, the District shall use its best efforts to enter into a JCFA with the City and the other local agencies prior to the formation of the CFD, whereby the City and the other local agencies will agree to accept ownership of the applicable City or local agency facilities financed by the proceeds of the Bonds.

E. **Parameters of CFD.** Regardless of the number of CFDs formed, or the identity of the sponsoring local agency, the CFDs shall be formed and the Bonds issued subject to the following parameters:

- (i) The overall effective tax rate on developed property (as customarily defined in the RMAs) shall not exceed 2.00 percent of the Total Tax Obligation for such property. For purposes of this Agreement, the term "Total Tax Obligation" shall mean, with respect to a parcel, in the fiscal year in which the parcel is first classified as developed property in accordance with the RMAs ("Subject Year"), the sum of (i) the ad valorem taxes levied or projected to be levied on such parcel in the Subject Year, (ii) all special taxes levied or projected to be levied on such

Exhibit "C," Page 2

parcel in the Subject Year (including, without limitation, the special taxes levied by the CFD), (iii) all installments of special assessments for the Subject Year, and (iv) all other taxes, fees and charges imposed by a governmental entity that are payable with respect to such parcel in the Subject Year and the payment of which is secured by such parcel.

- (ii) The Bonds may be issued in one or more series.
- (iii) The Bonds may bear interest at a fixed or variable rate.
- (iv) One or more improvement areas may be formed.
- (v) So long as the overall tax rate set forth in (i) above is not exceeded, both the District and the City may form overlapping CFDs, the bonds of which will, under the Mello-Roos Act, be on parity with each other.

F. **Prepayment of Mitigation Payment; Reimbursement from CFD.** The Developer may pay all or part of the Mitigation Payment (including the Mitigation Fee Deposit) prior to the issuance of the Bonds, which amount shall be eligible for reimbursement from the proceeds of the Bonds, with the understanding that such Mitigation Payment (including the Mitigation Fee Deposit) will be reimbursed by the CFD solely from the proceeds of the Bonds if, and when, Bonds are issued, and then only to the extent available to pay such Mitigation Payment (including the Mitigation Fee Deposit) as agreed to by the Developer. The payment of all or part of the Mitigation Payment (including the Mitigation Fee Deposit) prior to the approval of the issuance of the Bonds shall not be construed as a dedication or gift of the Mitigation Payment (including the Mitigation Fee Deposit), or a waiver of reimbursement of such Mitigation Payment (including the Mitigation Fee Deposit). If the Developer pays all or part of the Mitigation Payment (including the Mitigation Fee Deposit) prior to the issuance of the Bonds, the Developer will seek reimbursement directly from the CFD once the Bonds are issued, and

District agrees that the CFD shall be allowed to reimburse the Developer for such Mitigation Payment (including the Mitigation Fee Deposit) to the extent that the Bond proceeds are available to pay such Mitigation Payment (including the Mitigation Fee Deposit) as agreed to by the Developer. If the City is the sponsor of the CFD, the District will use its best efforts to have language substantially similar to this Section F inserted into the JCFA with the City so that the City also agrees to reimburse the Developer for any Mitigation Payment (including the Mitigation Fee Deposit) made prior to the issuance of the Bonds.

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